

**Medical Insurance Profit & Loss Summary**

	Actual 2009-10	Actual 2010-11	(6/30/2011) Final Budget 2011-2012	Estimated 2011-2012	Proposed 2012-2013
<b>Income:</b>					
Balance on July 1	\$ 4,382,840	\$ 5,230,124	\$ 4,887,715	\$ 4,887,715	\$ 4,928,437
BOE Operating Budget Total <small>(2011-2012 Includes Additional \$450,000 Funding per BOE 3/29/2011)</small>	\$ 16,517,041	\$ 14,805,748	\$ 16,462,450	\$ 16,462,450	\$ 16,622,772
Wage/Benefit Reserve - New Staff in FY	\$ -	\$ 566,070	\$ -	\$ -	\$ -
Other Income Revenue <i>Includes: Employee Contributions, Retiree Payments, Cobra, FMLA/LOA, Grants, Rebates, Food Services</i>	\$ 6,451,857	\$ 6,750,473	\$ 6,771,619	\$ 6,956,066	\$ 6,950,507
<b>Subtotal Income (Including July 1 Balance)</b>	<b>\$ 27,351,738</b>	<b>\$ 27,352,415</b>	<b>\$ 28,121,784</b>	<b>\$ 28,306,231</b>	<b>\$ 28,501,716</b>
ITT Hartford - Medicare Supplement Retiree Plan	\$ 173,787	\$ 187,242	\$ 187,242	\$ 189,854	\$ 193,530
<b>Total Available Income</b>	<b>\$ 27,525,525</b>	<b>\$ 27,539,657</b>	<b>\$ 28,309,026</b>	<b>\$ 28,496,085</b>	<b>\$ 28,695,246</b>
<b>Expenses:</b>					
Anthem BC/BS Claims/Fees	\$ 16,330,843	\$ 16,635,024	\$ 18,060,361	\$ 17,252,285	\$ 18,240,581
RX Claims/Fees	\$ 4,293,629	\$ 4,315,967	\$ 4,665,132	\$ 4,579,997	\$ 4,899,758
Dental Claims/Fees	\$ 1,478,996	\$ 1,499,610	\$ 1,579,202	\$ 1,531,711	\$ 1,610,641
<b>Subtotal Expense</b>	<b>\$ 22,103,468</b>	<b>\$ 22,450,601</b>	<b>\$ 24,304,695</b>	<b>\$ 23,363,993</b>	<b>\$ 24,750,980</b>
ITT Hartford - Medicare Supplement Retiree Plan	\$ 191,933	\$ 201,340	\$ 201,340	\$ 203,655	\$ 207,586
<b>Total Expenses</b>	<b>\$ 22,295,401</b>	<b>\$ 22,651,941</b>	<b>\$ 24,506,035</b>	<b>\$ 23,567,648</b>	<b>\$ 24,958,566</b>
<b>Balance as of 6/30</b>	<b>\$ 5,230,124</b>	<b>\$ 4,887,715</b>	<b>\$ 3,802,991</b>	<b>\$ 4,928,437</b>	<b>\$ 3,736,680</b>
Claims Accrual for Anthem, RX and Dental (IBNR)	\$ (1,959,617)	\$ (1,767,755)	\$ (1,767,755)	\$ (1,767,755)	\$ (1,868,340)
<b>Net Balance</b>	<b>\$ 3,270,507</b>	<b>\$ 3,119,960</b>	<b>\$ 2,035,236</b>	<b>\$ 3,160,682</b>	<b>\$ 1,868,340</b>



## Fairfield: Town and Public Schools

### Fairfield Public Schools - Renewal Year (2012)

Components	AonHewitt Updated CV Renewal Projection - July 1, 2012			Total
	AntiHem Med/Rx Medical	Rx CVS/Caremark Rx (b)	Dental Sun Life Dental	
1. Exp. Per Paid Claims (11/10 - 11/11) <sup>(2)</sup>	\$15,026,789	\$4,381,050	\$1,409,327	\$20,817,166
2. Claims in Excess of ISL <sup>(3)</sup>	\$0	\$0	\$0	\$0
3. Experience Period Net Paid Claims	\$15,026,789	\$4,381,050	\$1,409,327	\$20,817,166
4. Trend Factor ( 20 Months )	1.119	1.128	1.092	
5. Annual Trend <sup>(4)</sup>	7.0%	7.5%	5.4%	
6. Trended Paid Claims	\$16,820,510	\$4,942,261	\$1,538,437	\$23,301,207
7. Experience Period Lives (2 mo. lag)	1,408	1,454	1,546	
8. Trended Exp Per Claims (per ee)	\$11,946	\$3,400	\$995	
9. Projected Current Year Average Lives	1,400	1,441	1,540	
10. Exp Claims: July 1, 2012 - July 1, 2013	\$16,723,949	\$4,899,758	\$1,532,466	\$23,156,172
11. Admin: July 1, 2012 - July 1, 2013 <sup>(5)</sup>	\$643,215	\$0	\$78,175	\$721,390
12. Network Access Fees <sup>(6)</sup>	\$330,834	\$0	\$0	\$330,834
13. SL Exp: July 1, 2012 - July 1, 2013 <sup>(6)</sup>	\$542,583	\$0	\$0	\$542,583
<b>14. ESTIMATED JULY 1, 2012 - JULY 1, 2013</b>	<b>\$18,200,561</b>	<b>\$4,899,758</b>	<b>\$1,610,641</b>	<b>\$24,710,960</b>
15. 2011 Budget (from final renewals) <sup>(6,7)</sup>	\$18,060,361	\$4,665,132	\$1,579,202	\$24,304,695
16. Change (\$)	\$180,220	\$234,626	\$31,439	\$446,284
17. Change (%)	1.0%	5.0%	2.0%	1.8%

<sup>(1)</sup> Rx rebates are not considered in projection

<sup>(2)</sup> based on claims from 11/10 to 11/11

<sup>(3)</sup> latest 12 months

<sup>(4)</sup> Aon Consulting Summer 2011 Health Care Trend Survey - adjusted based on current BOE reserve position

<sup>(5)</sup> estimated

<sup>(6)</sup> based on finalized 2011 renewal (8/5/11)

## Munsell, Doreen

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**From:** Carlton Lindgren <carlton.lindgren@aonhewitt.com>  
**Sent:** Thursday, January 19, 2012 2:38 PM  
**To:** Munsell, Doreen  
**Cc:** Steve Ribeiro  
**Subject:** Definitions

Doreen,

Please find below the definitions you requested:

**Fully Insured Equivalent Rates** - rate calculated by Anthem that includes the cost of claims, change in reserves, benefit administrative fee, network access fees, Stop Loss fees, estimated risk charge and estimated state premium taxes. Keep in mind that as a self funded account, you do not pay risk charges or state premium taxes. This rate is calculated to approximate the rates that would be charged if the account were fully insured.

**Allocation Rates** -- rate calculated by Anthem that includes the cost of claims, benefit administrative fee, network access fees, and Stop Loss fees. Estimated risk charges and state premium taxes (except for Stop Loss) are not part of the calculation. This rate is calculated to approximate the expected cost of the program.

**IBNR** - Incurred but not Reported. IBNR is a term used for a reserve that needs to be set up (by the policyholder) to cover claims that were incurred prior to the end of the contract year, but paid in the subsequent contract year. The reserve calculation is typically updated as of 6/30 of every contract year. Your auditor will review the calculations each year to check for adequacy of the reserve.

**Admin Fees** - Vendors cost of administering the benefits (ie. claim payment, enrollment, etc)

**Annual Trend** - Trend is a forecast of per capita *claims cost increases* that takes into account various factors, such as price inflation, utilization, government-mandated benefits, and new treatments, therapies and technology.

**Network Access Fees** - charge assessed by Anthem to access their networks (discounts).

**Caremark Rebates** - portion of prescription drug cost that is returned to the employer based on negotiated contracts between Caremark and the drug manufacturer. Caremark pay rebates to Fairfield on brand name drugs only.

**Projected Current Year Average Lives** - lives expected during the renewal period. Based on latest month of known headcount.

**SL Exp** - Stop Loss expenses. Expected cost of stop loss coverage in the renewal year.

Please let us know if you have any further questions.

Regards,

**Carlton Lindgren**  
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2012-2013 Fairfield Warde High School Athletic Budget  
Summary of Rental Budget Line #1130-~~329~~-300

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Category	2012-2013
Gymnastics	\$3,600.00
Bowling	\$4,000.00 Co-Op FWHS Pays
Girls Swimming	\$3,832.50
Boys Ice Hockey	\$32,370.00 Co-Op FWHS Pays
<b>FWHS GRAND TOTAL:</b>	<b>\$43,802.50</b>

Please note that this figure provides funds for the rental of the facility itself (ice rink, gymnastics gym, swimming pool). Currently, FLHS is paying the rental fee on Girls Ice Hockey, Sailing, and Boys Swimming because these are combined teams. Additional rental fees may have to be implemented in the 2012-2013 budget.

2012-2013 Fairfield Ludlowe High School Athletic Budget  
Summary of Rental Budget Line #1130-349-100  
WITH NO BOYS ICE HOCKEY

<b>Category</b>	<b>2012-2013</b>
Gymnastics	\$4,000.00 -- FLHS
Boys' Swimming	\$3,407.08 -- FLHS (Co-Op FLHS Pays)
Girls' Swimming	\$3,832.50 -- FLHS
Girls' Ice Hockey	\$22,321.00 -- FLHS (Co-Op FLHS Pays)
Sailing	\$4,200.00 -- FLHS (Co-Op FLHS Pays)
Supreme Storage Rental	\$1,560.00 -- FLHS
<b>FLHS GRAND TOTAL:</b>	<b>\$39,320.58</b>

Please note that this figure provides funds for the rental of the facility itself (ice rink, gymnastics gym, swimming pool). Currently, FLHS is paying the rental fee on Girls' Ice Hockey, Sailing, and Boys' Swimming because these are combined teams. Additional rental fees (Boys' Ice Hockey) may have to be implemented in the 2012-2013 budget.

FLHS will be covering coop rental costs for Boys' Swimming, Girls' Ice Hockey, Sailing for 2012-2013